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**THE  
DICKENSON  
GROUP OF COMPANIES**



**ANNUAL REPORTS  
1974**







DICKENSON MINE

## DICKENSON MINES

## ROBIN RED LAKE MINES

(Dickenson Mines Subsidiary)

## KAM-KOTIA MINES

AS A GROUP from inception to December 31, 1974  
have produced mineral wealth as follows:

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1,886,000 ounces of GOLD  
6,085,049 ounces of SILVER  
159,735,000 pounds of COPPER  
172,587,000 pounds of ZINC  
57,416,000 pounds of LEAD

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### DIVIDENDS TOTAL

		Per Share
DICKENSON MINES .....	\$9,759,000	2.95
KAM-KOTIA MINES .....	\$2,640,340	.62
ROBIN RED LAKE MINES .....	\$1,757,000	.61

The Annual Reports for Dickenson Mines Limited, Robin Red Lake Mines Limited and Kam-Kotia Mines Limited are presented together due to the corporate relationship between them.



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## COVER PICTURE

"Gold Mine" by A. Y. Jackson.

A representation of the Dickenson Mine in 1952.

A. Y. Jackson, born 1882, is considered to be the dean of Canadian landscape painters. He studied in Europe and became a Canadian Official War Artist in World War I. At the end of the war he returned to Canada and was one of the founding members of the "GROUP OF SEVEN" a group of Canadian artists of renown.

The "Group of Seven" held its first Exhibition in 1920. During six decades A. Y. Jackson's work portrayed the geographical detail of the Canadian scene and especially the Ontario mining towns, Eskimo settlements and British Columbia Indian enclaves.

# DICKENSON MINES LIMITED

## DIRECTORS

A. W. WHITE	- - - - -	Toronto, Ont.
C. R. DIEBOLD	- - - - -	Buffalo, N.Y.
President, First Empire State Corporation		
F. A. FELL	- - - - -	Toronto, Ont.
F. R. GRAHAM	- - - - -	Montreal, P.Q.
President, Graymont Limited		
S. C. SMITH	- - - - -	Richmond Hill, Ont.
H. V. WHITE	- - - - -	Toronto, Ont.
D. C. RANCE	- - - - -	Balmertown, Ont.
Mine Manager, Dickenson Mines		

## OFFICERS

ARTHUR W. WHITE	- - - - -	President
CHARLES R. DIEBOLD	- - - - -	Vice-President
H. V. WHITE	- - - - -	Vice-President
H. RODNEY HEARD	- - - - -	Secretary-Treasurer
JAMES GEDDES	- - - - -	Assistant Secretary

## HEAD OFFICE

390 Bay Street, Suite 1402 - - - - - Toronto, Ont.  
Telephone 361-0402

## MINE OFFICE

Balmertown, Ontario

## AUDITORS

Gardner, McDonald & Co. - - - - - Toronto, Ont.

## BANKERS

Canadian Imperial Bank of Commerce - - - Toronto, Ont.  
The Bank of Nova Scotia - - - Toronto and Balmertown, Ont.

## REGISTRAR AND TRANSFER AGENTS

The Sterling Trusts Corporation - - - Toronto, Ont.  
Bank of New York - - - New York City, N.Y.  
The First Jersey National Bank - - - Jersey City, N.J.

## STOCK LISTED

Toronto Stock Exchange — symbol DML

## ANNUAL AND SPECIAL MEETING

Friday, May 2, 1975, at 10:30 a.m. (Toronto Time)  
Confederation Room, Royal York Hotel, Toronto, Ontario.



# DICKENSON MINES LIMITED

## SUMMARY

### 5 YEAR RECORD

	† 1974	† 1973	† 1972	† 1971	† 1970
Bullion Production .....	*\$ 10,935	\$ 7,199	\$ 5,105	\$ 3,171	\$ 2,571
E.G.M.A. ....	* —	—	—	325	650
Depreciation .....	* 173	126	114	129	197
Other Income .....	* 274	102	33	—	250
Minority Interest .....	* 354	188	94	1	3
Net Profit before extraordinary item .....	* 3,079	1,590	479	264	121
Net Profit after extraordinary item .....	* 1,611	1,830	—	—	—
Net Profit per share .....	93¢	48¢	33¢	7¢	17¢
Net profit per share after extraordinary item ..	49¢	56¢	13¢	7¢	3¢
Dividends paid per share .....	35¢	15¢	5¢	—	6¢
Shares issued .....	3,556,000				
Tons of ore milled .....	* 151	149	156	122	168
Grade (ozs./ton) Millheads .....	0.491	0.521	0.594	0.595	0.453
Ozs. of gold produced .....	68,094	71,951	86,397	82,547	69,822
Ore Reserves (Tons) .....	* 437	445	452	368	421
Grade (ozs./ton) .....	0.532	0.555	0.555	0.507	0.516
Employees .....	223	226	227	237	239
Shareholders .....	4,400	4,400	4,000	4,030	3,992
Share Price Range — High .....	12.00	4.60	3.25	1.58	2.50
— Low .....	4.35	1.90	.85	.60	1.00
P/E Multiple — High .....	12.9	9.6	9.8	22.6	14.7
— Low .....	4.5	4.0	2.6	8.6	5.9

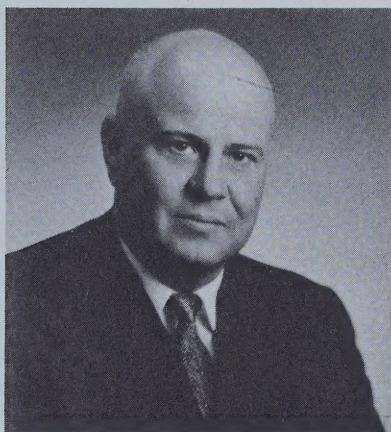
\* In thousands

† Consolidated (including Robin Red Lake)



# DICKENSON MINES LIMITED

## DIRECTORS' REPORT TO SHAREHOLDERS



ARTHUR W. WHITE  
President

We present the Annual Report for Dickenson Mines Limited for the year 1974, the Company's most exciting year since its first day of production. The dramatic rise in the gold price to over \$200 per ounce was chiefly responsible.

Revenues in 1974 were \$10,935,000 against \$7,199,000 in 1973, an increase of 51% reflecting the higher price of gold received during the year. While cost increases were held to a 24% increase in 1974 over 1973 (\$4,444,000 vs \$3,596,000), taxes paid to both the Province of Ontario and The Federal Government jumped by 103% from \$1,425,000 in 1973 to \$2,887,000 in 1974. Earnings in 1974 increased 94% from \$1,590,000 in 1973 (48¢/sh.) to \$3,079,000 in 1974 (93¢/sh.).

In 1974, Kam-Kotia Mines Limited recorded an allowance of \$1,900,000 for decline in the value of its shares of Davis-Keays Mining Co. Ltd. Dickenson's share of this allowance on an equity accounting basis amounts to \$897,000 and is included in the Statement of Income as part of "share of extraordinary losses of effectively controlled companies".

The grade of ore milled decreased to 0.491 ounces of gold per ton in 1974 from 0.521 ounces per ton in 1973. The ability to utilize lower grade ore in the walls of the stopes due to the higher gold price was largely responsible. The average price of \$160.15 per ounce was obtained during 1974 versus \$100 per ounce in 1973. It is interesting to note the average price fix for the year in the London market was \$158 per ounce.

### DIAMOND DRILLING AND DEVELOPMENT

Diamond drill footage averaged 4,474.6 feet per month in 1974, compared to 3,900.6 feet in 1973. About 77% of the diamond drilling was located on the Robin property, the majority of which being on the 22nd, 23rd, 24th, 25th, 26th and 30th levels. Significant values were located on the 22nd, 24th, 26th level, and below the 26th level on the Robin property. On Dickenson, drilling beneath the East South "C" Zone on the 30th level resulted in a number of significant ore grade intersections.

Development footage, for 1974, increased marginally to 4,903 feet. Ore was developed on Dickenson in the "E" Zone on the 6th level, the South "C" on the 23rd level, and in the East South "C" also on the 23rd level. On Robin, ore was developed on the 24th level, and on the 26th level, both in the footwall areas of the East South "C" Zone. During the year the long exploration drive on the 23rd level to the West Detta was brought to near completion.

# DICKENSON MINES LIMITED

## ORE RESERVES

While lateral work did develop some new ore reserve blocks, the majority of new ore was located in veins paralleling the present working stopes, as well as that new ore found in lateral and vertical extensions of ore in the operating stope areas. Ore reserve tonnage declined marginally in both the Dickenson, and Robin, properties. The lower grade of the Robin ore reserves is attributable to bringing into the ore reserves, tonnage of a lower ore grade as the economic cut-off ore grade is presently substantially lower than it was a year ago.

## OUTSIDE EXPLORATION

The outside exploration policy of your Company has been formulated to give preference to Gold and Energy Resources. During the year, Dickenson Mines in association with Imperial Oil entered into the Lapex Syndicate whose main activity was and is what is known as the Crackingstone operation in the Beaverlodge area of Northern Saskatchewan.

Oil and Gas proposals are under review and Uranium projects are being examined closely. An example of the latter is the Company's indirect holding in Amalgamated Rare Earth Mines Limited whose properties in the Bancroft Area of Ontario are being explored and developed under an agreement with Imperial Oil.

The property of Abino Gold Mines Limited lying to the north of Campbell Red Lake Mines and Dickenson Mines has been enhanced by the acquisition of the adjacent former property of Kaymac Mines. Diamond drilling was started during the winter months of 1975 through the ice of Red Lake and a report is expected shortly. Dickenson Mines is a major shareholder in Abino and is paying for the initial work by the provision of \$100,000 for which shares of Abino may be requested by Dickenson.

## DIVIDENDS

During 1974, two dividends totalling 35 cents per share were paid for a total of \$1,153,000.

## APPRECIATION

The Board of Directors wishes to express its appreciation to the Mine Manager, Mr. Derek Rance and to the Officers and Personnel of the Company and its associated companies for their co-operation and loyalty.

Submitted on behalf of the Board

Toronto, Ontario,  
April 2, 1975.

A. W. WHITE, President.



# DICKENSON MINES LIMITED

## Consolidated Statement of Income

For the year ended December 31, 1974

Revenue	1974	1973
Bullion production .....	\$10,935,000	\$ 7,199,000
<b>Expense</b>		
Mining .....	2,545,000	2,047,000
Milling .....	842,000	681,000
Mine management, office and general .....	645,000	557,000
Head office administration and general .....	369,000	278,000
Marketing .....	43,000	33,000
	<u>4,444,000</u>	<u>3,596,000</u>
<b>Operating Income</b> .....	<u>6,491,000</u>	<u>3,603,000</u>
<b>Income (Loss) From Investments</b>		
Dividends, interest and net results of security transactions .....	274,000	102,000
Share of losses of effectively-controlled companies .....	(26,000)	(128,000)
	<u>248,000</u>	<u>(26,000)</u>
<b>Other Expense</b>		
Provision for depreciation .....	173,000	126,000
Amortization of deferred development expenditures .....	160,000	163,000
Outside exploration written off .....	86,000	85,000
	<u>419,000</u>	<u>374,000</u>
<b>Income Before Taxes and Minority Interest</b> .....	<u>6,320,000</u>	<u>3,203,000</u>
<b>Income and Mining Taxes</b>		
Income taxes — current .....	1,989,000	1,047,000
— deferred .....	76,000	30,000
Mining taxes .....	822,000	348,000
	<u>2,887,000</u>	<u>1,425,000</u>
<b>Income Before Minority Interest</b> .....	<u>3,433,000</u>	<u>1,778,000</u>
<b>Minority Interest</b> .....	<u>354,000</u>	<u>188,000</u>
<b>Income Before Extraordinary Items</b> .....	<u>3,079,000</u>	<u>1,590,000</u>
Share of extraordinary losses (gains) of effectively-controlled companies (Note 7) .....	1,098,000	(240,000)
Adjustment of allowance for decline in value of investments in other companies .....	370,000	—
	<u>1,468,000</u>	<u>(240,000)</u>
<b>Net Income for the Year</b> .....	<u>\$ 1,611,000</u>	<u>\$ 1,830,000</u>
<b>Earnings per share:</b>		
Before extraordinary items .....	\$ 0.93	\$ 0.48
After extraordinary items .....	0.49	0.56

The accompanying notes form an integral part of these financial statements.

# DICKENSON MINES LIMITED

## ASSETS

	1974	1973
<b>Current</b>		
Cash and short-term deposits .....	\$ 4,301,000	\$ 2,064,000
Bullion on hand and in transit at net realizable value .....	944,000	892,000
Accounts receivable and accrued interest .....	179,000	116,000
Prepaid expenses .....	16,000	22,000
	<u>5,440,000</u>	<u>3,094,000</u>
 <b>Long-Term Investments</b> (Notes 1(b) and 3) .....	 4,172,000	 5,241,000
 <b>Fixed, at cost</b>		
Buildings, machinery and equipment .....	6,656,000	6,250,000
Less: Accumulated depreciation .....	5,967,000	5,837,000
	<u>689,000</u>	<u>413,000</u>
Mining claims .....	381,000	392,000
Townsite lots .....	124,000	111,000
	<u>1,194,000</u>	<u>916,000</u>
 <b>Other Assets and Deferred Charges</b>		
Interest in and expenditures on outside mining properties, less amounts written off .....	562,000	500,000
Deferred development expenditures .....	—	160,000
Stores and supplies, at cost .....	947,000	548,000
Deposits .....	6,000	6,000
Other deferred charges .....	56,000	44,000
	<u>1,571,000</u>	<u>1,258,000</u>
	<u>\$12,377,000</u>	<u>\$10,509,000</u>

The accompanying notes form



# Consolidated Balance Sheet

December 31, 1974

## LIABILITIES

	1974	1973
<b>Current</b>		
Accounts payable .....	\$ 585,000	\$ 323,000
Wages payable .....	59,000	48,000
Mining taxes payable .....	825,000	378,000
Income taxes payable (Note 1(f)) .....	1,065,000	646,000
	<u>2,534,000</u>	<u>1,395,000</u>
Deferred Income Taxes (Note 1(f)) .....	337,000	261,000
Minority Interest .....	<u>407,000</u>	<u>293,000</u>

## SHAREHOLDERS' EQUITY

<b>Capital Stock</b>		
Authorized		
3,750,000 shares of \$1 each		
Issued		
3,556,000 shares .....	3,556,000	3,556,000
Contributed Surplus (Note 4) .....	1,550,000	1,469,000
Retained Earnings .....	4,797,000	4,339,000
	<u>9,903,000</u>	<u>9,364,000</u>
Deduct: Company's share of Kam-Kotia Mines Limited holdings of 534,409 shares of Dickenson Mines Limited at a cost to Kam- Kotia of \$1,664,000 (261,326 shares) .....	804,000	804,000
	<u>9,099,000</u>	<u>8,560,000</u>
Approved on behalf of the Board:		
A. W. WHITE, Director.		
F. A. FELL, Director.		
	<u>\$12,377,000</u>	<u>\$10,509,000</u>

egral part of these financial statements.

# DICKENSON MINES LIMITED

## Consolidated Statement of Retained Earnings

For the year ended December 31, 1974

	1974	1973
Balance at Beginning of the Year .....	\$4,339,000	\$3,003,000
Net income for the year .....	1,611,000	1,830,000
	5,950,000	4,833,000
Dividends paid .....	1,153,000	494,000
Balance at End of the Year .....	<u>\$4,797,000</u>	<u>\$4,339,000</u>

## Consolidated Statement of Changes in Financial Position

For the year ended December 31, 1974

Source of Funds	1974	1973
Funds provided from operations (Note 8) .....	\$4,007,000	\$2,320,000
Repayment of portion of advances to Jameland Mines Limited .....	20,000	140,000
Decrease in deposits .....	—	30,000
Proceeds from sale of shares of Robin Red Lake Mines Limited to minority interests .....	95,000	43,000
	<u>4,122,000</u>	<u>2,533,000</u>
Application of Funds		
Dividends .....	1,153,000	494,000
Dividends paid by subsidiary to minority interests .....	241,000	122,000
Fixed asset additions .....	451,000	260,000
Increase in stores and supplies .....	399,000	156,000
Investment in and advances to other companies .....	511,000	292,000
Exploration expenditures on outside properties .....	148,000	75,000
Increase in deferred charges .....	12,000	30,000
	<u>2,915,000</u>	<u>1,429,000</u>
Increase in Funds .....	1,207,000	1,104,000
Funds at beginning of the year .....	1,699,000	595,000
Funds at End of the Year .....	<u>\$2,906,000</u>	<u>\$1,699,000</u>
Represented by:		
Current assets .....	\$5,440,000	\$3,094,000
Less: Current liabilities .....	2,534,000	1,395,000
	<u>\$2,906,000</u>	<u>\$1,699,000</u>

The accompanying notes form an integral part of these financial statements.



# DICKENSON MINES LIMITED

## Notes to Consolidated Financial Statements

For the year ended December 31, 1974

### 1. ACCOUNTING POLICIES

Accounting policies followed by the Company are in accordance with accounting principles generally accepted by the mining industry in Canada. The comments following pertain to those of particular significance in the view of management.

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and all subsidiaries. Investments in effectively-controlled companies are accounted for by the equity method.

(b) Long-Term Investments

The investment in shares of effectively-controlled companies is carried at cost adjusted by the Company's share of their earnings or losses since effective control was acquired. Other long-term investments are carried at cost with an allowance for estimated decline in value of investments below the stated cost.

(c) Exploration and Development Expenditures

Interest in and expenditure on outside mining properties are deferred in the accounts until the interest in the properties is relinquished or disposed of, at which time the accumulated costs are written off and any proceeds of disposal are recorded.

(d) Deferred development expenditures of the operating subsidiary, Robin Red Lake Mines Limited, have been amortized at the rate of \$3.75 per ton of ore milled. All such expenditures were fully amortized at December 31, 1974.

(e) Depreciation, Depletion and Amortization

Land, buildings, machinery and equipment are carried at cost. When such assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are removed from the accounts. Any gain or loss on retirements is reflected in the earnings for the year. Depreciation is recorded in the accounts on the straight-line method at the rate of 15% per annum on buildings, machinery and equipment.

The Company has never followed the practice of providing for depletion of its mining claims.

(f) Income Taxes

The Company and its subsidiaries follow the tax allocation method of accounting whereby the provision for income taxes is based upon income reported in the accounts after providing for allowances permissible under Federal and Provincial taxation statutes. Any difference between these taxes and taxes currently payable for the year are reflected in Deferred Income Taxes which arise from allowances for depreciation and exploration expenditures for income tax purposes in excess of those recorded in the accounts.

### 2. INTEREST IN AND EXPENDITURE ON MINING PROPERTIES AND INVESTMENTS IN OTHER DEVELOPMENT MINING COMPANIES

The value of investments in companies accounted for on the equity basis is determined from the book value per outstanding share of capital stock attributed to those companies. Unamortized interest in and expenditure on mining properties and investments in other development mining companies form part of such value and they can be realized only from future earnings of those companies. Dickenson's proportion of the unamortized interest in and expenditure on mining properties and investments in other development mining companies aggregate \$1,568,000.

# DICKENSON MINES LIMITED

## 3. LONG-TERM INVESTMENTS

	1974	1973
Investments in companies accounted for by the equity method:		
Shares		
Kam-Kotia Mines Limited		
2,097,608 shares (quoted market value, 1974 — \$1,133,000;		
1973 — \$1,154,000) .....	\$2,484,000	\$3,301,000
Other .....	707,000	858,000
	<u>3,191,000</u>	<u>4,159,000</u>
Loans and Advances		
Jameland Mines Limited .....	240,000	260,000
Other .....	31,000	44,000
	<u>271,000</u>	<u>304,000</u>
	<u>3,462,000</u>	<u>4,463,000</u>
Portfolio investments, at cost		
Listed shares (quoted market values, 1974 — \$594,000; 1973 —		
\$528,000) .....	1,742,000	1,512,000
Other shares, bonds, advances and participations .....	1,710,000	1,640,000
	<u>3,452,000</u>	<u>3,152,000</u>
	<u>6,914,000</u>	<u>7,615,000</u>
Less: Allowance for decline in value .....	2,742,000	2,374,000
	<u>\$4,172,000</u>	<u>\$5,241,000</u>

The quoted market values referred to above do not necessarily represent the realizable value of these holdings which may be more or less than that indicated by market quotations.

## 4. CONTRIBUTED SURPLUS

The increase in consolidated contributed surplus represents the difference between the portion of the underlying equity of shares issued during the year by a subsidiary company to its minority shareholders and the issue proceeds.

## 5. LOAN TO OFFICER

During the year an officer of the Company was assisted in the purchase of a dwelling for his own occupation through a loan of \$30,000 secured by a 9% first mortgage. At December 31, 1974, the principal amount of the loan outstanding was \$29,000.

## 6. STATUTORY INFORMATION

Remuneration of directors and senior officers during the year ended December 31, 1974, amounted to \$113,000 (\$104,000 in 1973).

In addition, the Company paid \$147,000 during the year ended December 31, 1974 (\$144,000 in 1973) to Mid-North Engineering Services Limited for management, accounting, secretarial and office services.

## 7. SHARE OF EXTRAORDINARY LOSSES OF EFFECTIVELY-CONTROLLED COMPANIES

These consist of the Company's proportion of:

The \$1,900,000 allowance made by Kam-Kotia Mines Limited for decline in value of its shares of Davis-Keays Mining Co. Ltd. ....	\$ 897,000
Allowances in other companies .....	201,000
	<u>\$1,098,000</u>



# DICKENSON MINES LIMITED

## 8. FUNDS PROVIDED FROM OPERATIONS

	1974	1973
Net income for the year	\$1,611,000	\$1,830,000
Charges (credits) not requiring use of funds		
Loss on disposal of investments	53,000	10,000
Provision for depreciation	173,000	126,000
Amortization of deferred development expenditures	160,000	163,000
Outside exploration written off	86,000	85,000
Deferred income taxes	76,000	30,000
Minority interest in earnings of subsidiary	354,000	188,000
Share of losses (gains) of effectively-controlled companies	1,124,000	(112,000)
Adjustment of allowance for decline in value of investments in other companies	370,000	—
Funds provided from operations	<u>\$4,007,000</u>	<u>\$2,320,000</u>

## AUDITORS' REPORT

To the Shareholders  
Dickenson Mines Limited

We have examined the consolidated balance sheet of Dickenson Mines Limited and its subsidiaries as at December 31, 1974, and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. For Dickenson Mines Limited and those other companies of which we are the auditors and which are consolidated or are accounted for by the equity method in these financial statements, our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. For other companies, accounted for by the equity method, we have relied on the reports of the auditors who have examined the financial statements of those companies.

In our opinion, subject to the realization of interest in and expenditure on mining properties and investments in other development mining companies as explained in Note 2, these consolidated financial statements present fairly the financial position of Dickenson Mines Limited and its subsidiaries as at December 31, 1974, and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,  
March 11, 1975.

GARDNER, McDONALD & CO.,  
Chartered Accountants.

# REPORT OF OPERATIONS

	DICKENSON	ROBIN
Ore Milled .....	105,563 tons	45,446 tons
Recovery — Gold .....	37,640.077 ounces	30,453.855 ounces
— Silver .....	4,540.46 ounces	1,954.71 ounces
Grade of Ore Milled — Gold .....	0.388 ounces per ton	0.730 ounces per ton
Average Value Received — Gold .....	\$160.15 per ounce	
Total Value Received — Gold .....	\$6,028,145.52	\$4,877,255.46
— Silver .....	\$20,734.01	\$8,926.19

## MINING

Development (Drawn Tons) . . . . .	4,345	8,463		
Stopes & Stope Development (Drawn Tons) . . . . .	100,163	36,983		
Total Break in Tons . . . . .	104,587	44,833		
Total Tons Hoisted . . . . .	104,868	45,446		
	<u>TONS</u>	<u>GRADE</u>	<u>TONS</u>	<u>GRADE</u>
Broken Ore Reserves . . . . .	53,559	0.484	7,412	1.429

## MILLING

Summary of Mill operations with the previous year given for comparison.

	1974	1973
Tons Treated (Includes 45,446 tons of Robin ore in 1974 and 43,481 in 1973) ...	151,009	149,286
Percent Operating Time .....	94.40	97.94*
Tons Treated Per Day .....	413.72	431.4*
Average Value of Millhead in ounces of Gold per ton .....	0.491	0.521
Average Value of Milltails in ounces of Gold per ton .....	0.040	0.039
Recovery in Ounces of Gold Per Ton .....	0.451	0.482
Percent Recovery .....	91.87	92.58

\* Scheduled holiday maintenance shutdown for 15 days.

## DEVELOPMENT

	DICKENSON	ROBIN
Crosscutting (Includes Slashing) .....	592' 9"	604' 4"
Drifting (Includes Slashing) .....	1,232' 5"	2,473' 2"
Raising (Includes Slashing) .....	955' 8"	1,061' 9"
Underground Diamond Drilling .....	12,083	41,612
Surface Diamond Drilling .....	—	—

## Dickenson

### PROVEN ORE RESERVES

At December 31, 1973 .....	343,608 tons grading 0.472 ozs. gold per ton.
At December 31, 1974 .....	339,472 tons grading 0.470 ozs. gold per ton.
Decrease .....	4,136 tons
Location of the Ore Reserves — 82% between 14th and 25th levels.	

## Robin

At December 31, 1973 .....	102,580 tons grading 0.834 ozs. gold per ton.
At December 31, 1974 .....	97,455 tons grading 0.747 ozs. gold per ton.
Decrease .....	5,125 tons
Location of the Ore Reserves — 100% between 15th and 24th levels.	

D. C. RANCE,  
Mine Manager.

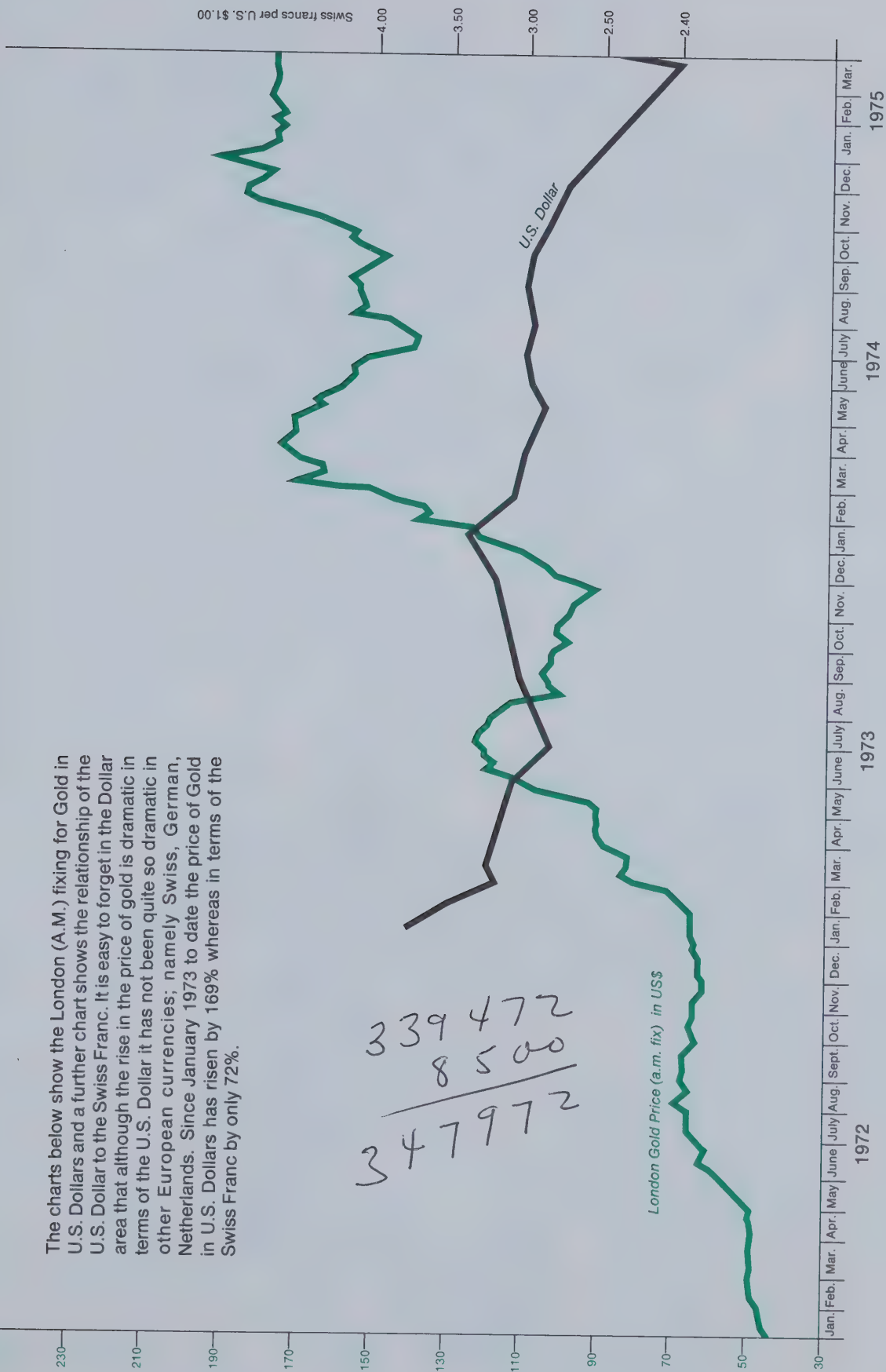


U.S.\$

The charts below show the London (A.M.) fixing for Gold in U.S. Dollars and a further chart shows the relationship of the U.S. Dollar to the Swiss Franc. It is easy to forget in the Dollar area that although the rise in the price of gold is dramatic in terms of the U.S. Dollar it has not been quite so dramatic in other European currencies; namely Swiss, German, Netherlands. Since January 1973 to date the price of Gold in U.S. Dollars has risen by 169% whereas in terms of the Swiss Franc by only 72%.

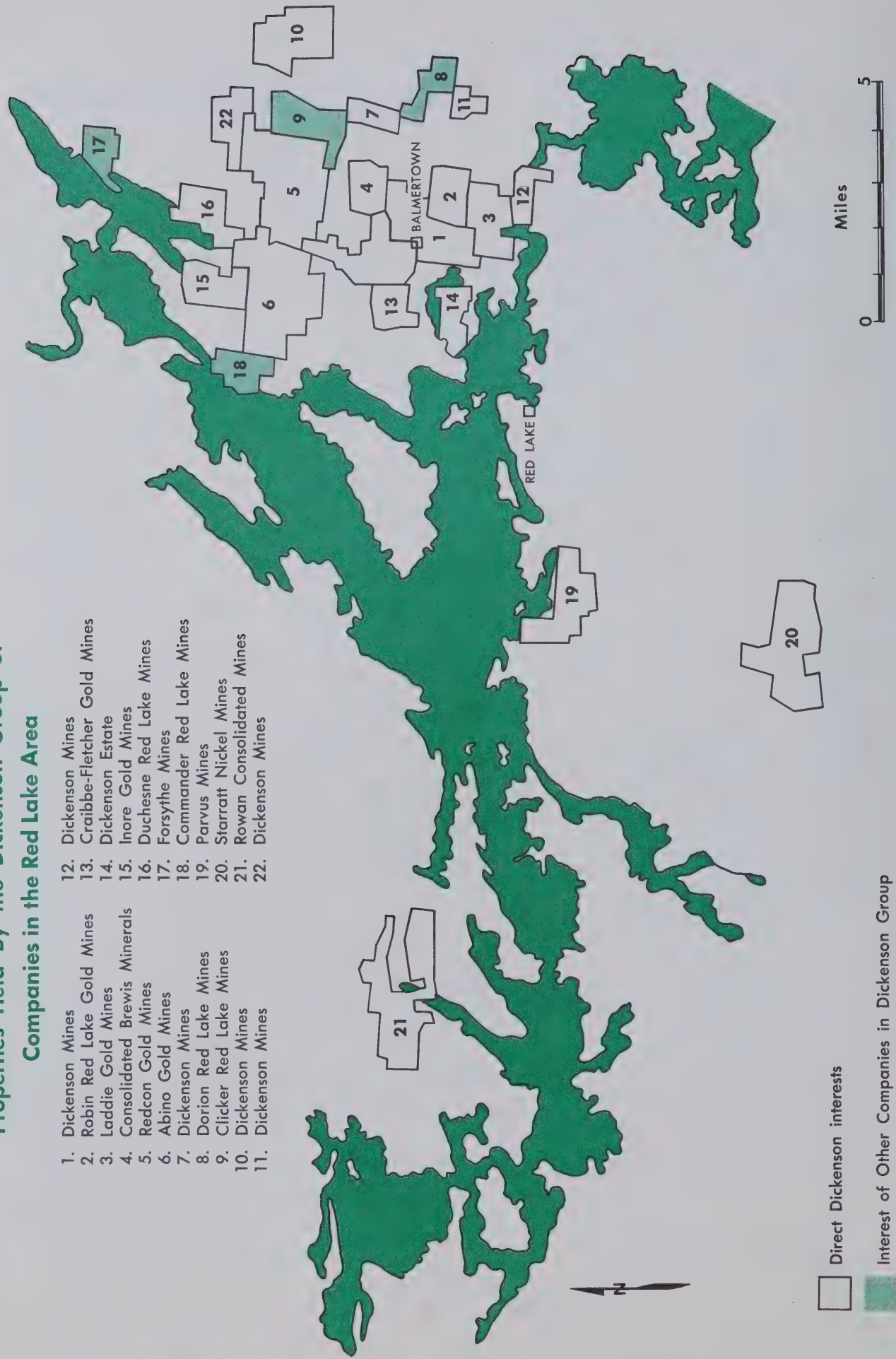
339 472  
 8 500  
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 347 972

London Gold Price (a.m. fix) in US\$

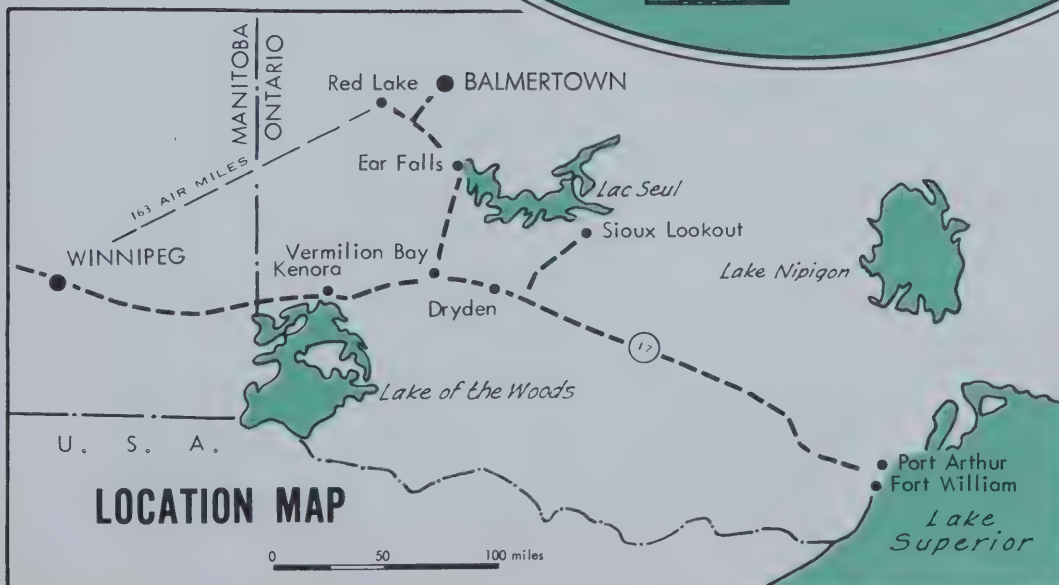
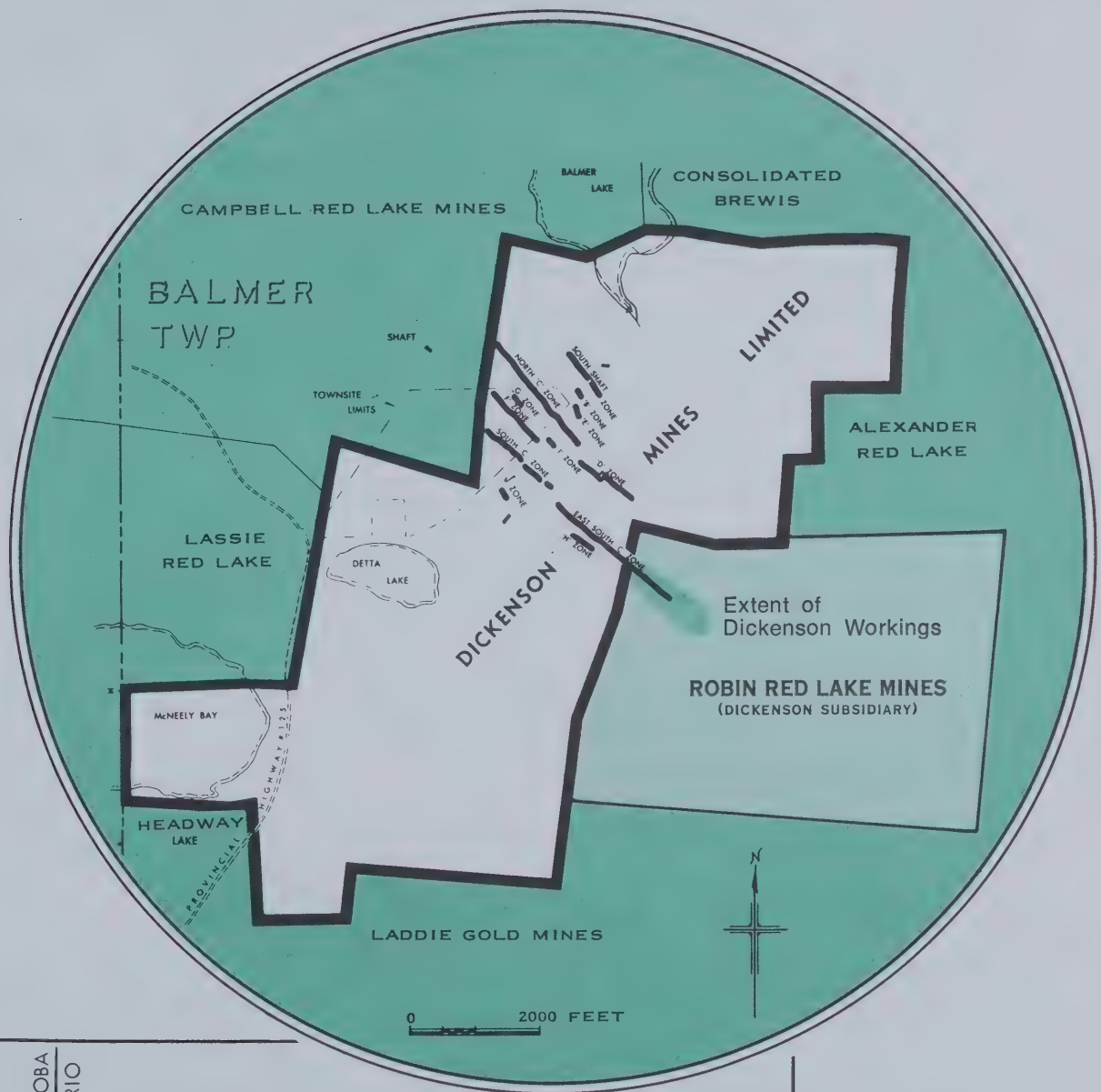


# Properties Held By the Dickinson Group of Companies in the Red Lake Area

- |                                 |                                 |
|---------------------------------|---------------------------------|
| 1. Dickinson Mines              | 12. Dickinson Mines             |
| 2. Robin Red Lake Gold Mines    | 13. Craibbe-Fletcher Gold Mines |
| 3. Laddie Gold Mines            | 14. Dickinson Estate            |
| 4. Consolidated Brewis Minerals | 15. Inore Gold Mines            |
| 5. Redcon Gold Mines            | 16. Duchesne Red Lake Mines     |
| 6. Abino Gold Mines             | 17. Forsythe Mines              |
| 7. Dickinson Mines              | 18. Commander Red Lake Mines    |
| 8. Dorion Red Lake Mines        | 19. Parvus Mines                |
| 9. Clicker Red Lake Mines       | 20. Starratt Nickel Mines       |
| 10. Dickinson Mines             | 21. Rowan Consolidated Mines    |
| 11. Dickinson Mines             | 22. Dickinson Mines             |







# ROBIN RED LAKE MINES LIMITED

## DIRECTORS

A. W. WHITE	-	-	-	-	-	-	-	-	Toronto, Ontario
D. C. RANCE	-	-	-	-	-	-	-	-	Balmertown, Ontario
F. A. FELL	-	-	-	-	-	-	-	-	Toronto, Ontario
H. R. HEARD	-	-	-	-	-	-	-	-	Toronto, Ontario
J. GEDDES	-	-	-	-	-	-	-	-	Mississauga, Ontario
D. F. BURT	-	-	-	-	-	-	-	-	Toronto, Ontario
H. S. DOLSON	-	-	-	-	-	-	-	-	Etobicoke, Ontario

## OFFICERS

ARTHUR W. WHITE	-	-	-	-	-	-	-	-	President
D. C. RANCE	-	-	-	-	-	-	-	-	Vice-President
H. RODNEY HEARD	-	-	-	-	-	-	-	-	Secretary
JAMES GEDDES	-	-	-	-	-	-	-	-	Treasurer

## HEAD OFFICE

390 Bay Street, Suite 1402, Toronto, Ontario  
Telephone 361-0402

## MINE OFFICE

Balmertown, Ontario

## AUDITORS

GARDNER, McDONALD & CO., Toronto, Ontario

## BANKERS

THE BANK OF NOVA SCOTIA, Toronto, Ontario

## REGISTRAR AND TRANSFER AGENTS

THE STERLING TRUSTS CORPORATION, Toronto, Ontario

## ANNUAL AND SPECIAL MEETING

Friday, May 2, 1975, at 9:30 a.m. (Toronto Time)  
Confederation Room, Royal York Hotel, Toronto, Ontario.



# **ROBIN RED LAKE MINES LIMITED**

## **REPORT TO SHAREHOLDERS**

Financial information for the year for Robin Red Lake Mines Limited appears consolidated in the foregoing Dickenson Mines Limited financial statements. We are pleased to present herewith the separate Financial Statements for 1974 for Robin Red Lake Mines reported upon by the auditors.

Two dividends, totalling 35 cents per share were paid during 1974 aggregating \$1,049,000. The current position of the Company was improved by \$751,000 to \$1,739,000, after payment of these dividends.

A composite analysis of Dickenson and Robin operations prepared by Mr. Derek Rance, General Manager, is also provided in the Dickenson section of this Annual Report.

Submitted on behalf of the Board,

Toronto, Ontario,  
April 2, 1975.

A. W. WHITE,  
President.

## **AUDITORS' REPORT**

To the Shareholders  
Robin Red Lake Mines Limited

We have examined the balance sheet of Robin Red Lake Mines Limited as at December 31, 1974, together with the statements of income, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1974, and the results of its operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,  
February 21, 1975.

GARDNER, McDONALD & CO.,  
Chartered Accountants.

# ROBIN RED LAKE MINES LIMITED

## ASSETS

	1974	1973
<b>Current</b>		
Cash and short-term deposits .....	\$2,696,000	\$1,126,000
Accounts receivable and accrued interest .....	67,000	30,000
Due from subscribers .....	—	32,000
Due from parent company — Dickenson Mines Limited .....	—	319,000
	<u>2,763,000</u>	<u>1,507,000</u>
 Investments, at cost (Note 2) .....	 130,000	 100,000
<b>Fixed, at cost</b>		
Buildings, machinery and equipment .....	149,000	142,000
Less: Accumulated depreciation .....	50,000	28,000
	<u>99,000</u>	<u>114,000</u>
Mining claims (Note 3) .....	75,000	75,000
Townsite lots .....	24,000	24,000
	<u>198,000</u>	<u>213,000</u>
 <b>Other Assets and Deferred Charges</b>		
Interest in and expenditures on outside mining property .....	—	2,000
Deferred development and administrative expenditures, less amortization thereon .....	—	160,000
	<u>—</u>	<u>162,000</u>
	 <u>\$3,091,000</u>	 <u>\$1,982,000</u>

The accompanying notes for



# BALANCE SHEET — December 31, 1974

## LIABILITIES

	1974	1973
<b>Current</b>		
Accounts payable .....	\$ 5,000	\$ 3,000
Ontario mining tax payable .....	425,000	218,000
Income taxes payable .....	465,000	298,000
Due to parent company — Dickenson Mines Limited .....	129,000	—
	<u>1,024,000</u>	<u>519,000</u>

## SHAREHOLDERS' EQUITY

### Capital Stock (Note 5)

#### Authorized

3,000,000 shares without par value

#### Issued

3,000,000 shares (2,965,500 in 1973) ..... 825,000 730,000

Retained Earnings .....	1,242,000	733,000
	<u>2,067,000</u>	<u>1,463,000</u>

Approved on behalf of the Board:

A. W. WHITE, Director.

H. R. HEARD, Director.

	<u>\$3,091,000</u>	<u>\$1,982,000</u>
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# ROBIN RED LAKE MINES LIMITED

## Statement of Income

For the year ended December 31, 1974

	1974	1973
<b>Revenue</b>		
Bullion production .....	\$4,886,000	\$3,271,000
Interest .....	172,000	55,000
	<u>5,058,000</u>	<u>3,326,000</u>
<b>Expense</b>		
Mining .....	913,000	652,000
Milling .....	253,000	198,000
Fees and charges for the use of underground and surface facilities of parent company .....	451,000	348,000
Mine management, office and general .....	192,000	161,000
Head office administration and general .....	92,000	71,000
Marketing .....	20,000	15,000
	<u>1,921,000</u>	<u>1,445,000</u>
<b>Operating Income</b> .....	<u>3,137,000</u>	<u>1,881,000</u>
<b>Other Expense</b>		
Amortization of deferred development and administrative expenditures ..	160,000	163,000
Provision for depreciation of buildings, machinery and equipment .....	22,000	21,000
	<u>182,000</u>	<u>184,000</u>
<b>Income Before Income and Mining Taxes</b> .....	<u>2,955,000</u>	<u>1,697,000</u>
Income taxes (Note 4) .....	965,000	506,000
Mining taxes .....	432,000	198,000
	<u>1,397,000</u>	<u>704,000</u>
<b>Net Income for the Year</b> .....	<u>\$1,558,000</u>	<u>\$ 993,000</u>
<b>Earnings per Share</b> .....	<u>\$ .52</u>	<u>\$ .33</u>

The accompanying notes form an integral part of these financial statements.



# ROBIN RED LAKE MINES LIMITED

## Statement of Retained Earnings For the year ended December 31, 1974

	1974	1973
Balance at Beginning of Year .....	\$ 733,000	\$ 301,000
Net income for the year .....	1,558,000	993,000
	2,291,000	1,294,000
Dividends paid .....	1,049,000	561,000
Balance at End of Year .....	<u>\$1,242,000</u>	<u>\$ 733,000</u>

## Statement of Changes in Financial Position For the year ended December 31, 1974

Source of Funds	1974	1973
Funds provided from operations (Note 6) .....	\$1,740,000	\$1,177,000
Proceeds from sale of capital stock .....	95,000	43,000
	<u>1,835,000</u>	<u>1,220,000</u>
Application of Funds		
Dividends paid .....	1,049,000	561,000
Fixed asset additions .....	7,000	99,000
Shares of other mining company .....	28,000	—
Purchase of guaranteed investment certificates .....	—	75,000
	<u>1,084,000</u>	<u>735,000</u>
Increase in Funds During the Year .....	751,000	485,000
Funds at beginning of the year .....	988,000	503,000
Funds at End of the Year .....	<u>\$1,739,000</u>	<u>\$ 988,000</u>
Represented by working capital:		
Current assets .....	\$2,763,000	\$1,507,000
Less: Current liabilities .....	<u>1,024,000</u>	<u>519,000</u>
	<u>\$1,739,000</u>	<u>\$ 988,000</u>

The accompanying notes form an integral part of these financial statements.

# ROBIN RED LAKE MINES LIMITED

## Notes to Financial Statements

December 31, 1974

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Amortization

The company established amortization on deferred development and administrative expenditures at the rate of \$3.75 per ton of ore milled. All such expenditures were fully amortized at December 31, 1974.

#### Depreciation and depletion

Depreciation has been recorded in the accounts using the straight line method at the rate of 15% per annum.

The company has never provided for the depletion of its mining claims.

### 2. INVESTMENTS

Investments are comprised of the following:

	1974	1973
Guaranteed investment certificates .....	\$ 100,000	\$ 100,000
200,000 shares of New Kelore Mines Limited (quoted market value \$42,000) .....	30,000	—
	<u>\$ 130,000</u>	<u>\$ 100,000</u>

### 3. MINING CLAIMS AND PROPERTIES

The company's mining claims and properties were acquired in July 1945, in consideration for the issue of 1,000,000 shares. For accounting purposes, such shares were assigned a value of 7½ cents per share — this being the approximate average issue price of various other shares which were issued for cash pursuant to the provisions of an agreement entered into during the same month in 1945.

### 4. INCOME TAXES

Income taxes provided in the accounts for the year reflect allowances for depletion permitted under regulations to Federal and Provincial statutes.

### 5. CAPITAL STOCK — Stock Options

During the year directors and officers of the company and certain employees of Dickenson Mines Limited exercised stock options granted in 1973 on 34,500 shares of the company's capital stock at a price of \$2.75 per share.

### 6. FUNDS PROVIDED FROM OPERATIONS

	1974	1973
Net income for the year .....	\$1,558,000	\$ 993,000
Charges not requiring use of funds		
Amortization of deferred development and administrative expenditures	160,000	163,000
Provision for depreciation .....	22,000	21,000
Funds provided from operations .....	<u>\$1,740,000</u>	<u>\$1,177,000</u>

### 7. STATUTORY INFORMATION

Remuneration of directors and senior officers during the year ended December 31, 1974, amounted to \$6,000 (\$2,000 in 1973).

In addition, the company paid \$62,000 during the year ended December 31, 1974, (\$51,000 in 1973) to Mid-North Engineering Services Limited for management, accounting, secretarial and office services.



# KAM-KOTIA MINES LIMITED

DIRECTORS	<p>A. W. WHITE - - - - - Toronto, Ontario</p> <p>G. W. WALKEY - - - - - Toronto, Ontario</p> <p>D. F. BURT - - - - - Toronto, Ontario Solicitor, Burt, Burt, Wolfe &amp; Bowman</p> <p>D. C. RANCE, Mine Manager, Dickenson Mines Balmertown, Ontario</p> <p>J. GEDDES - - - - - Mississauga, Ontario</p> <p>H. V. WHITE - - - - - Toronto, Ontario</p> <p>R. A. HALET - - - - - Toronto, Ontario Consulting Engineer, Halet, Broadhurst &amp; Ogden</p>
OFFICERS	<p>A. W. WHITE - - - - - President</p> <p>G. W. WALKEY - - - - - Vice-President and General Manager</p> <p>H. R. HEARD - - - - - Secretary-Treasurer</p>
KAM-KOTIA-BURKAM	
Mine Manager	Wm. HOGG
Mine Office Address	New Denver, British Columbia
HEAD OFFICE	390 Bay Street, Suite 1402, Toronto, Ontario. Telephone 361-0402
TRANSFER AGENTS AND REGISTRAR	The Sterling Trusts Corporation, Toronto, Ontario Canadian Bank of Commerce Trust Company, New York, N.Y.
STOCK LISTED	Toronto and Montreal Stock Exchanges — Symbol KKL
SOLICITORS	Burt, Burt, Wolfe & Bowman, Toronto, Ontario
AUDITORS	Thorne Riddell & Co., Toronto, Ontario
BANKERS	Canadian Imperial Bank of Commerce
ANNUAL & SPECIAL MEETING	Friday, May 2, 1975, at 2:00 p.m. (Toronto Time) Confederation Room, Royal York Hotel, Toronto, Ontario.

# KAM-KOTIA MINES LIMITED

## REPORT TO SHAREHOLDERS

The Board of Directors present herewith the Annual Report of Kam-Kotia Mines Limited together with the Financial Statements for 1974, reported upon by the auditors.

Working capital and quoted market value of some of your Company's investments (Dickenson Mines Limited - Amalgamated Rare Earth Mines Limited - New Kelore Mines Limited) total about \$8,300,000 or approximately \$1.93 per Kam-Kotia share.

A comprehensive report on the affairs of your Company is provided by Mr. Graham Walkey, Vice-President and General Manager. In his negotiations in the Western regions of Canada he has the full support of the Board of Directors.

The operation at Consolidated Churchill Copper Corporation Limited has now been closed down. During 1974 a positive cash flow accrued to Kam-Kotia. At present all the British Columbia operations are under review due to the British Columbia Mineral Royalties Act and also weak metal markets. An extraordinary loss of \$1,900,000 is shown to reflect a decline in value of the Company's investment in Davis-Keays Mining Co. Ltd.

In view of changing patterns in the economics of mineral development, concentration on such developments at this time is probably imprudent, therefore, your management is looking in other directions so far as your Company's activities are concerned.

The Board of Directors wishes to express its appreciation for the cooperation and loyalty of the Officers and Personnel of Kam-Kotia and its associated companies.

Submitted on behalf of the Board,

A. W. WHITE,  
President.

Toronto, Ontario,  
April 2, 1975.

# KAM-KOTIA MINES LIMITED

and its subsidiary companies

## Consolidated Statement of Income

Year ended December 31, 1974

	1974	1973
Mining		
Revenue		
Metal recovery, gross value		\$ 62,000
Expenses		
Mine shutdown	\$ 57,000	198,000
Head office administrative and general	77,000	97,000
	134,000	295,000
Operating loss before undernoted items	134,000	233,000
Depreciation	13,000	12,000
Share of loss from Kam-Kotia-Burkam Joint Venture	3,000	88,000
	16,000	100,000
Operating loss — mining	150,000	333,000
Outside exploration expenditures written off	37,000	2,000
	187,000	335,000
Investment income		
Dividends from Dickenson Mines Limited	187,000	80,000
Other dividends, interest and royalties	162,000	89,000
Share of profit (loss) in effectively controlled companies (note 2)	2,000	(3,000)
	351,000	166,000
Income (loss) before extraordinary items	164,000	(169,000)
Extraordinary items		
Profit on sale of Timmins Mine, fixed assets	115,000	590,000
Provision for decline in value of investments in other companies	(50,000)	(100,000)
Allowance for decline in value of shares of Davis-Keays Mining Co. Ltd.	(1,900,000)	
	(1,835,000)	490,000
Net income (loss) for the year	<u>\$ (1,671,000)</u>	<u>\$ 321,000</u>
Income (loss) per share		
Income (loss) before extraordinary items	\$ .038	\$ (.039)
Net income (loss) for the year	\$ (.390)	\$ .075



# KAM-KOTIA MINES LIMITED

(Incorporated under the laws of Ontario)

and its subsidiary companies

## Consolidated Balance Sheet

### ASSETS

	1974	1973
<b>Current Assets</b>		
Cash and short term deposits .....	\$2,195,000	\$ 931,000
Accounts receivable .....	183,000	175,000
Advances to Consolidated Churchill Copper Corporation Ltd. (note 4) ....	388,000	608,000
Concentrates on hand and in transit (note 1(c) ) .....	206,000	
Inventory of machinery and equipment .....		520,000
	<u>2,972,000</u>	<u>2,234,000</u>
<b>Investments</b>		
Effectively controlled companies (notes 1(b) and 2) .....	1,737,000	3,630,000
Other companies (note 3) .....	2,413,000	2,497,000
	<u>4,150,000</u>	<u>6,127,000</u>
<b>Fixed Assets</b>		
Buildings, machinery and equipment at cost .....	742,000	363,000
Less accumulated depreciation .....	<u>577,000</u>	<u>236,000</u>
	165,000	127,000
Mining claims and properties at cost less depletion (note 5) .....	33,000	33,000
Land at cost .....	<u>13,000</u>	<u>7,000</u>
	<u>211,000</u>	<u>167,000</u>
<b>Other Assets</b>		
Supplies at average cost .....	12,000	20,000
Sundry assets .....	<u>47,000</u>	<u>31,000</u>
	59,000	51,000
	<u>\$7,392,000</u>	<u>\$8,579,000</u>

December 31, 1974

## LIABILITIES

	1974	1973
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities .....	\$ 245,000	\$ 167,000
Advances from British Metal Corp. ....	192,000	
B.C. Mineral Land Tax payable — estimated .....	54,000	
Payable to Burkam Mines Limited (note 6) .....	160,000	
	<u>651,000</u>	<u>167,000</u>

## SHAREHOLDERS' EQUITY

<b>Capital Stock</b>		
Authorized — 5,000,000 shares of \$1 each		
Issued — 4,290,000 shares .....	4,290,000	4,290,000
Deduct discount less premium .....	348,000	348,000
	<u>3,942,000</u>	<u>3,942,000</u>
<b>Retained Earnings</b> .....	<u>2,799,000</u>	<u>4,470,000</u>
	<u>6,741,000</u>	<u>8,412,000</u>

Approved by the Board:

A. W. WHITE, Director.

J. GEDDES, Director.

<u>\$7,392,000</u>	<u>\$8,579,000</u>
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# KAM-KOTIA MINES LIMITED

and its subsidiary companies

## Consolidated Statement of Retained Earnings

Year ended December 31, 1974

	1974	1973
Balance at beginning of year .....	\$4,470,000	\$4,149,000
Net income (loss) for the year .....	(1,671,000)	321,000
Balance at end of year .....	<u>\$2,799,000</u>	<u>\$4,470,000</u>

## Consolidated Statement of Changes in Financial Position

Year ended December 31, 1974

	1974	1973
<b>Working capital derived from</b>		
Operations .....	\$ 178,000	
Proceeds from sale of buildings, machinery and equipment (net) .....		\$ 677,000
Profit on sale of Timmins Mine, fixed assets .....	115,000	520,000
Recovery of advances to Jameland Mines Limited .....	30,000	210,000
Other sources .....	29,000	154,000
	<u>352,000</u>	<u>1,561,000</u>
<b>Working capital applied to</b>		
Operations .....		64,000
Acquisition of interest in Kam-Kotia-Burkam Joint Venture .....	150,000	
Less working capital acquired .....	56,000	
	<u>94,000</u>	
Less previous investment in Kam-Kotia-Burkam Joint Ventures .....	68,000	
	<u>26,000</u>	
Investment in Davis-Keays Mining Co. Ltd. ....	5,000	30,000
Increase in investment in other companies (net) .....	17,000	30,000
Mining claims .....		5,000
Other applications .....	50,000	50,000
	<u>98,000</u>	<u>179,000</u>
Increase in working capital .....	254,000	1,382,000
Working capital at beginning of year .....	2,067,000	685,000
Working capital at end of year .....	<u>\$2,321,000</u>	<u>\$2,067,000</u>
Represented by		
Current assets .....	\$2,972,000	\$2,234,000
Current liabilities .....	651,000	167,000
	<u>\$2,321,000</u>	<u>\$2,067,000</u>



# KAM-KOTIA MINES LIMITED

and its subsidiary companies

## Notes to Consolidated Financial Statements

December 31, 1974

### 1. ACCOUNTING POLICIES

#### (a) Consolidation policy

These consolidated financial statements include the accounts of the company and all subsidiary companies including certain inactive subsidiaries. The more significant subsidiaries are:

Deebank Limited	100.0%
Cobalt Refinery Limited	100.0%
Carnegie Mining Corporation Limited	68.1%

#### (b) Accounting for effectively controlled companies

The company follows the practice of accounting for its investments in effectively controlled companies on the equity basis, whereby the companies' proportionate share of income and losses are reflected in earnings for the year.

#### (c) Concentrates on hand and in transit

Any shipment for which a final settlement has not been received is included as concentrates on hand and in transit at an average cost of production value. At December 31, 1974 there were 620.762 tons of concentrate for which final settlements had not been received. The estimated net realizable value of this concentrate is \$367,926.

#### (d) Outside exploration

Costs incurred in exploration of outside properties are charged to operations when the company relinquishes its interest in such properties.

### 2. INVESTMENT IN EFFECTIVELY CONTROLLED COMPANIES

The investment in effectively controlled companies consists of the following:

	1974	1973
Davis-Keays Mining Co. Ltd.		
1,392,050 shares (1973 — 1,387,050 shares) at cost, (quoted market value 1974 — \$264,000; 1973 — \$694,000)	\$3,883,000	\$3,881,000
Notes receivable	292,000	289,000
	<u>4,175,000</u>	<u>4,170,000</u>
Other		
At cost less amounts written off	525,000	528,000
Share of profit (losses)	2,000	(3,000)
	<u>527,000</u>	<u>525,000</u>
	<u>4,702,000</u>	<u>4,695,000</u>
Less allowance for decline in value	2,965,000	1,065,000
	<u>\$1,737,000</u>	<u>\$3,630,000</u>

At December 31, 1974, Kam-Kotia's investments in Davis-Keays amounted to \$4,175,000. Exploration, development and administrative expenditures amounting to \$6,364,000 at December 31, 1974 have been incurred in the development of Davis-Keays property which have been deferred in the accounts of Davis-Keays.

**3. INVESTMENT IN OTHER COMPANIES**

	1974	1973
Listed shares		
Dickenson Mines Limited		
534,409 shares at cost (quoted market value 1974 — \$3,273,000; 1973 — \$2,325,000) .....	\$1,644,000	\$1,644,000
Other listed shares at cost (quoted market value 1974 — \$218,000; 1973 — \$184,000) .....	285,000	283,000
Jameland Mines Limited		
1,514,995 shares at cost .....	805,000	805,000
Notes receivable .....	360,000	390,000
Other shares, advances and participations at cost less amounts written off .....	598,000	654,000
	<u>3,692,000</u>	<u>3,776,000</u>
Less allowance for decline in value .....	1,279,000	1,279,000
	<u>\$2,413,000</u>	<u>\$2,497,000</u>

Included in the allowance for decline in value is an amount provided to reduce the investment in shares and notes receivable in Jameland Mines Limited to its estimated realizable value of \$10,000 (1973, \$40,000).

**4. ADVANCES TO CONSOLIDATED CHURCHILL COPPER CORPORATION LTD.**

By agreement dated September 17, 1973, between Kam-Kotia Mines Limited and Brameda Resources Limited, the company undertook to advance to Consolidated Churchill Copper Corporation Ltd. sufficient funds (including working capital) to bring the Churchill properties back into production and maintain operations thereafter. At December 31, 1974, advances made totalled \$6,608,000 of which \$6,220,000 has been repaid.

Due to the deterioration of the price of copper and the continuing increase in costs of production and marketing, operations at Churchill now consist of only the drawing and milling of ore already mined, and preparing the resulting concentrate for shipment. It is anticipated that operations at the Churchill property will cease in March, 1975.

Repayment to Kam-Kotia of advances outstanding are a first charge against proceeds from the sale of metal recovered from Churchill's ore.

**5. MINING CLAIMS**

Pursuant to the agreement dated June 29, 1973 with Cominco Limited which was confirmed by shareholders of Kam-Kotia Mines Limited, Robison Mines Limited, was incorporated to hold the mining property referred to in the agreement. Subsequent to December 31, 1974, certain of Kam-Kotia's mining claims were transferred to Robison and as consideration therefor Kam-Kotia received 60,000 shares of Robison.

**6. PAYABLE TO BURKAM MINES LIMITED**

Under an agreement dated December 31, 1974 the company purchased for \$150,000 all of the rights and interests of the other joint venture participant, Burkam Mines Limited, in the Mine Operating Agreement dated September 3, 1968 between Silmonac Mines Limited (N.P.L.), Kam-Kotia Mines Limited and Burkam Mines Limited.

Under the same agreement, the company purchased from Burden Investors Services, Inc. for \$10,000 all of Burden's rights to receive a royalty of \$3.00 per ton of ore milled up to a maximum of \$500,000 as provided in the Mine Operating Agreement.

**7. INCOME TAXES**

Development expenditures of approximately \$1,400,000 are available to be claimed for tax purposes in future years. This amount consists principally of expenditures made on the Davis-Keays mining property for which shares of Davis-Keays were received and are included in investments.

**8. OTHER INFORMATION**

Direct remuneration of the company's directors and senior officers (including the five highest paid employees as required by The Business Corporations Act) amounted to \$83,000 in 1974 and \$109,000 in 1973.

# KAM-KOTIA MINES LIMITED

and its subsidiary companies

## Statement of Operations of Kam-Kotia-Burkam Joint Venture

Year ended December 31, 1974

Revenue	1974	1973
Metal recovery, gross value .....	\$ 961,000	\$1,000,000
Deduct transportation and treatment costs .....	221,000	259,000
	740,000	741,000
Sundry income .....	11,000	4,000
	751,000	745,000
<b>Expenses</b>		
Exploration and development .....	172,000	305,000
Mining .....	162,000	180,000
Milling .....	136,000	144,000
Mine management, office and general property .....	151,000	141,000
	621,000	770,000
Operating income(loss) before undernoted items .....	130,000	(25,000)
<b>Deduct</b>		
Interest of joint venture partner (50%) .....	65,000	(12,000)
Depreciation .....	14,000	75,000
B.C. Mineral Land Tax — estimated .....	54,000	
	133,000	63,000
Loss — Kam-Kotia share .....	\$ 3,000	\$ 88,000

## AUDITORS' REPORT

To the Shareholders of  
Kam-Kotia Mines Limited

We have examined the consolidated balance sheet of Kam-Kotia Mines Limited and its subsidiary companies as at December 31, 1974 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
February 21, 1975.

THORNE RIDDELL & CO.,  
Chartered Accountants.



# KAM-KOTIA MINES LIMITED

## GENERAL MANAGER'S REPORT TO SHAREHOLDERS

### TIMMINS AREA PROPERTY

All remaining plant and equipment was sold in March, 1974. It is expected that removal of this equipment and plant will be completed in 1975.

### AGREEMENT WITH COMINCO

In June, 1973, your company, along with associated companies, Cincinnati-Porcupine Mines, Pleno Mines, Jameland Mines, and Dickenson Mines, entered into an agreement with Cominco covering all the claims held by the above companies in Robb and Jamieson Townships whereby Cominco was given the right to explore and develop on all the claims. Claims owned by Cominco adjoining the claims were added to form one group.

Under the terms of the agreement, after the first \$75,000 was spent by Cominco, Kam-Kotia and associates have the right to participate in future programs totalling \$487,500, and by providing 40% of the cost can maintain their equity at 40%. Expenditures exceeded the \$75,000 minimum in 1974 and Cominco requested the incorporation of a new company, Robison Mines, and this company was incorporated and the claims transferred in 1975. To the end of 1974, total expenditures by Cominco were \$193,321. The main thrust of the program to the end of 1974 was to develop a geological map of the block containing 337 claims, (178 claims from Kam-Kotia and associates and 159 claims staked by Cominco) by taking rock samples from bed rock covered by deep overburden by overburden drill holes, plus, of course, in depth study of all known information.

As a result, Cominco has selected two blocks for further exploration in 1975, and

the proposed budget for 1975 is \$140,000. Kam-Kotia proposes to participate in this program to the extent of \$24,000.

### KAM-KOTIA — BURKAM JOINT VENTURE

Production from the Silmonac mine was 12,034 tons grading 12.76 ounces of silver, 3.28% Pb. and 4.16% Zn. per ton. A small cash flow was generated before providing for income taxes, B.C. mining tax, and B.C. mineral land tax.

The sum of \$184,038 was spent on exploration and this accounted for 30% of all expenses.

Gross metal prices received for all sales were \$4.73 per ounce for silver, 23.3 cents/lb. for lead and 36.1 cents/lb. for zinc.

Effective December 31, 1974, your company purchased Burkam Mines interest in the joint venture as well as the Burden Royalty mortgage for a total purchase price of \$160,000.

While positive ore reserves were limited, probable ore reserves at the end of the year are sufficient to maintain an economic operation at current metal prices for several months. The potential for finding more economic ore on the property is considered good, along strike of the structures, both east and west of the present workings. Currently, several plans for exploration and development are being evaluated as to cost, priority and potential, as well as financing, in the event that cash flow from production is inadequate to finance further exploration.

### DAVIS-KEAYS MINING CO. LTD.

While a major effort was made to establish conditions that would make it feasible to

place the company in production by mining and milling production at the Churchill mill, the necessary conditions could not be established, and the property continued on a care and maintenance basis.

A copper price substantially above current price levels (about 60 cents) would be required to warrant placing Davis-Keays in production. At this time, nothing is planned for Davis-Keays for 1975.

#### **REFRACTORY METALS PROCESSING**

It was impossible to complete senior financing for this company as a grant from the Department of Regional Economic Expansion was not approved. Consequently, Kam-Kotia did not convert its mortgage into shares of Refractory Metals. Lack of working capital limited the company's scale of operations and it was not prudent for Kam-Kotia to advance funds due to Refractory's financial situation.

In January, 1975, your company took possession of the property to protect its investment, pending foreclosure proceedings and the plant is now on a care and maintenance basis.

#### **CONSOLIDATED CHURCHILL COPPER CO. LTD.**

Churchill's production for 1974, with Kam-Kotia as managers, was 201,450 tons grading 2.75% Cu. Concentrate production was 17,791.99 short tons grading 29.90% Cu. and copper recovery averaged 96.09%.

Five shipments totalling 14,609 short tons were made during the year and inventory at the end of the year was 3,183 short tons.

The actual price received for the four lots finalized ranged from a high of 130.86 cents

U.S./lb. to a low of 62.05 cents U.S. and the average price for 6,880,950 pounds was 96.9 cents.

Average cost of production per ton was \$27.62 and this was higher than the estimated cost of \$25.50 per ton, due mainly to higher exploration and development expense plus higher material costs.

The average grade of ore mined at 2.75% Cu. was well below the anticipated grade of 3.5% Cu. Continuity of the higher grade zones was much less than expected, and, to maintain production of copper at optimum levels, it was necessary to mill development rock and mine low grade zones. Dilution was also greater than expected. In this regard, production from December 1, 1974 to February 28, 1975 graded 3.49% Cu., as all mill feed came from stope production.

At the end of the year economic ore reserves were sufficient to maintain profitable production for 3 to 4 months and no further exploration or development is planned.

#### **APPRECIATION**

The year 1974 was a difficult one for producing operations and the staff and crews at Churchill and Silmonac are to be commended for their performance during the year.

G. W. WALKEY,

Vice-President and  
General Manager.



## INVESTMENT SCHEDULE

THESE COMPANIES held shares in THESE COMPANIES ↓ at December 31, 1974	KAM-KOTIA (including Deebank)	Percentage of Outstanding shares	DICKENSON	Percentage of Outstanding shares
Abino Gold Mines Limited .....	617,091	17.5	1,435,344	40.7
Amalgamated Rare Earth .....	579,434	12.0		
Carnegie Mining .....	1,615,018*	68.1		
Cincinnati-Porcupine .....	2,625,779	41.9		
Consolidated Brewis .....			454,882	26.4
Canadian Arrow .....	704,417	19.8		
Craibbe-Fletcher .....			983,300	27.3
Davis-Keays Mining .....	1,392,050	38.0		
Deebank Limited .....	10,003*	100.0		
Dickenson Mines .....	534,409	15.0		
Duchesne Red Lake .....			875,500*	64.9
Gateway Uranium .....	330,000	22.4		
Glenclair Mining .....	1,141,322*	57.1		
Inore Gold Mines .....	604,000	34.5		
Jameland Mines .....	1,514,995	30.3	2,025,000	40.5
Kamisfair Mines .....	640,000*	85.3		
Kam-Kotia Mines .....			2,097,608	48.9
Kenwest Mines .....			1,800,008*	60.0
Laddie Gold Mines .....	75,000	3.6	885,000	42.9
Langis Silver & Cobalt .....	67,500	1.7	369,450	9.7
Lithia Mines & Chemicals .....	680,710*	64.5		
Lone Bachelor .....	1,180,000*	89.8		
Mareast Explorations .....	438,000	23.5		
New Kelore Mines .....	417,717	7.5		
New Cinch Uranium .....	35,000	1.7	425,000	20.2
Nickel Rim Mines .....	174,000	2.9	274,000	4.6
Parvus Mines .....			856,125	46.3
Penobscot Mining Company .....			957,318	48.7
Pidgeon Molybdenum .....			391,000	23.5
Pleno Mines .....	948,549	39.2		
Redcon Gold Mines .....			625,221	18.4
Robin Red Lake .....			2,318,688*	77.3
Rowan Gold Mines .....			13,630	3.0
Silmonac Mines .....	657,031	22.2		
Tundra Gold Mines .....	15,000	.4	1,188,588	28.0
United Macfie Mines .....	1,220,760	40.4		

\*Subsidiary companies.





